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REPORT OF THE DIRECTORS

OF THE

BOSTON AND MAINE RAILROAD

TO THE

STOCKHOLDERS,

WEDNESDAY, DECEMBER 11, 1878.

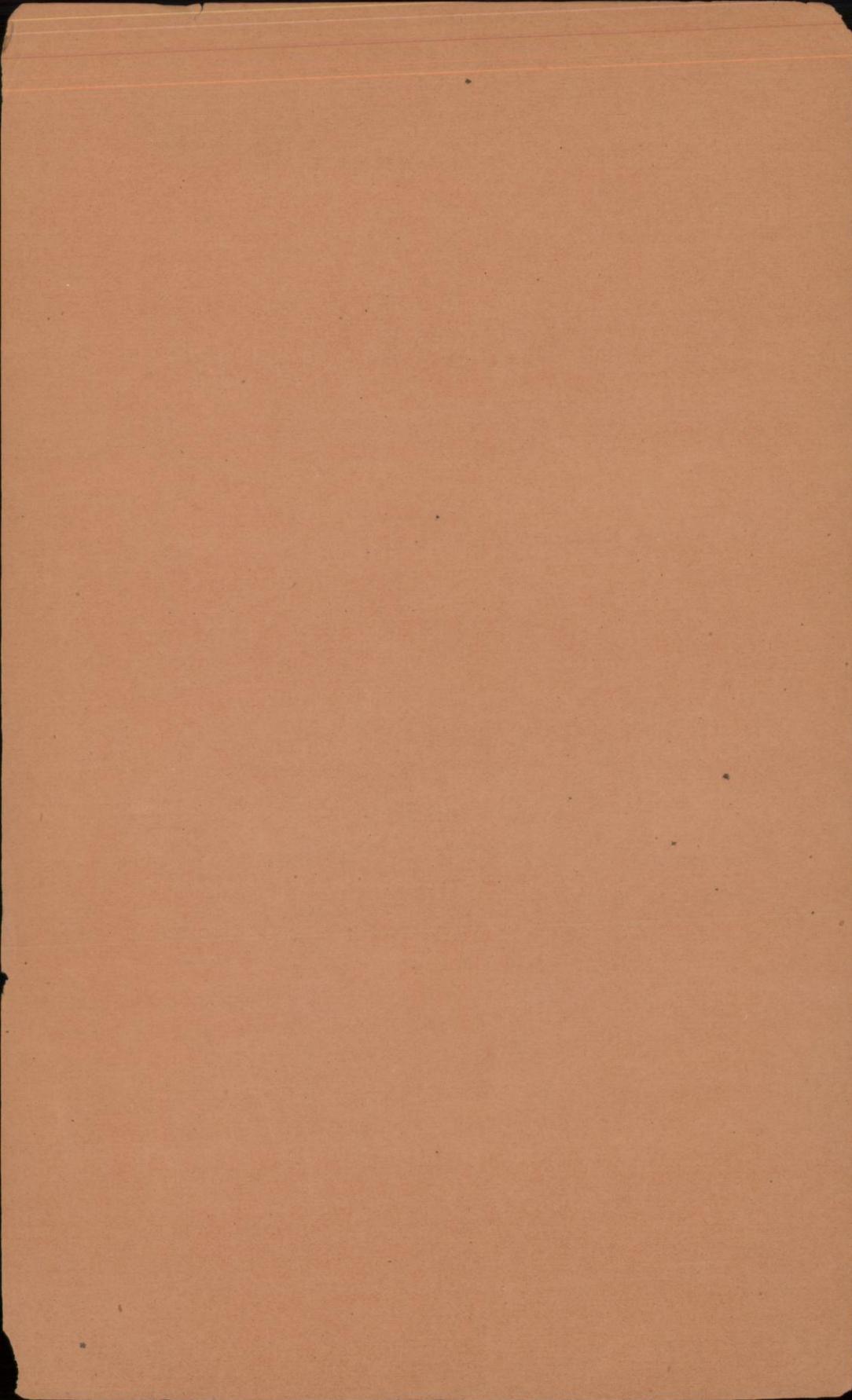
BOSTON:

ALFRED MUDGE AND SON, PRINTERS,
34 SCHOOL STREET.

1878.

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OFFICERS.

DIRECTORS.

NATHANIEL G. WHITE	LAWRENCE.
GEORGE C. LORD	BOSTON.
AMOS PAUL	SO. NEWMARKET, N. H.
NATHANIEL J. BRADLEE	BOSTON.
WILLIAM S. STEVENS	DOVER, N. H.
JAMES R. NICHOLS	HAVERHILL.
JOHN FELT OSGOOD	BOSTON.
SAMUEL E. SPRING	PORTLAND, ME.
NATHANIEL W. FARWELL . . .	LEWISTON, ME.

PRESIDENT.

NATHANIEL G. WHITE.

GENERAL SUPERINTENDENT.

JAMES T. FURBER.

TREASURER.

AMOS BLANCHARD.

CLERK.

CHAUNCEY P. JUDD.

AUDITOR.

WILLIAM P. PEIRCE.

FORTY-FIFTH ANNUAL REPORT.

To the Stockholders of the Boston and Maine Railroad:

THE directors respectfully submit the following report, exhibiting the result of the operations of the road for the twelve months ending Sept. 30, 1878:—

The gross receipts for twelve months ending

Sept. 30, 1878, were \$2,184,458 96

Operating expenses \$1,269,062 82

Taxes paid 90,304 90

Rent of leased lines 87,200 00

————— \$1,446,567 72

Leaving as net earnings for the year \$737,891 24

Interest paid during the year 247,542 12

Leaving a balance of \$490,349 12

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The gross earnings of the twelve months

ending Sept. 30, 1877, were \$2,267,019 43

And the expenses for the same time, includ-

ing interest, taxes, and rent of leased lines, 1,851,857 70

Showing a decrease in the gross receipts of

the present year, as compared with the

previous year, of 82,560 47

And in the operating expenses, including

interest, taxes, and rent of leased lines 157,747 86

The balance for the year ending Sept. 30, 1877, after paying interest, taxes, and all other expenses, was	\$415,161 73
Showing an increase in the net balance of the present, as compared with the previous year, of	75,187 39
While the gross earnings of the year show a decrease from those of the previous year of	82,560 47
The decrease in the expenses has been much more than sufficient to offset the loss in business, being	157,747 86

We have for several years suggested the hard times, and the great depression in all kinds of business throughout the country, as a reason for the annual decrease in our gross receipts. We have no worse reason to offer now. We are told that the future has a brighter outlook; that business seems to improve a little; that there is some movement in this or that branch of industry. We have no desire to question these hopeful suggestions, but we cannot vouch for them until we can begin to feel the effect of such improvement in increased receipts. Large crops in the West, seeking a market, give largely increased receipts to the railroads in that part of the country. They seem to have an advantage, that we do not possess, especially in times of depression like the present,—the crops must be moved and must be brought to tide-water by rail; but your road is unfavorably located for this kind of business. Of the staple products of the country, very little, comparatively, passes over it, except what is consumed along its line. Your road depends for its profit upon the movements of the people from one town to another; upon prosperous times in the manufacturing districts of New England; upon the old-time prosperity of the many thriving cities and towns in Massa-

chusetts. Until these times shall return, we may not expect largely increased receipts.

The stockholders of this road have no reason to complain of its financial success in the past. Beginning with dividend No. 1 in October, 1838, we cover a period of forty years, during the whole of which time no stockholder has had occasion to mourn, because he did not receive his annual return for his investment.

Those stockholders who have held their stock from the commencement, have received, including the dividend payable on the 15th inst., \$299.50 on each share; and in addition to this sum, all taxes on this stock have been paid for many years by the corporation. This has not been a bad investment. We would have you seriously consider that these results have been obtained only by the most prudent management, with constant watchfulness and care.

Your road had a small beginning. It is now forty-two years since the first section of this road was opened, which was from Andover to Wilmington,— seven and a half miles,— where it made connection with the Lowell road. Some years later, it was opened to Bradford, Exeter, Dover, and Boston, but not until 1873 could you boast of running on your own iron to Portland. At first, your mileage was small, your rolling stock limited, and your receipts meagre. As late as 1862, you had but 25 locomotives, 54 passenger cars, 553 box, platform, and other cars. Your rolling stock now consists of 77 locomotives, 133 passenger cars, 25 baggage, 3 postal, 1 milk, and three express cars, and 1,690 box, platform, and other cars.

In order to show you the magnitude and progressive character of your corporation, it may be stated that in 1862 the gross revenue from all sources was \$732,427.64, and in 1878 was \$2,184,458.96,— nearly three times greater than in 1862. This exhibit speaks well for the future.

We know of no reason why, with a revival of business, with old-time prosperity throughout the manufacturing districts, the receipts may not continue to increase. The increase in the next sixteen years, may not be as great as in the past, but we have no question it will be regular and permanent.

No addition, during the last year, has been made to your construction account, while much money has been expended for objects which might most properly have been charged to construction. The last payment on the betterment tax for the extension of Washington Street in Boston, the new engine-house in Somerville, the new transfer-station in Portland, the new passenger-house in Lawrence, the passenger-house at Medford (Wellington's), and 67 merchandise cars purchased, aggregating more than \$45,000, and 1,669 tons of steel rails laid down during the year, have been charged to expenses.

Periodical examinations of the offices along the line of the road are made by the auditor, and in most instances, it is found that their accounts are correctly kept, and that they make prompt returns to the treasurer. In the past ten years, three or four of our agents have left without passing over to us our property in their possession. Their bondsmen, in each instance, are fully able to make good any deficiency, and generally do this without compulsion. When compulsion becomes necessary, we resort to it, and we have now one suit of this kind before the courts.

Mr. A. R. Turner, for many years auditor of this road, resigned that position in November last, and Mr. William P. Peirce was appointed to fill the vacancy. Railroad stockholders who, once a year, come together for the election of officers and receive their regular dividends, think but little and know but little of the labor and responsibility assumed by those on whom the successful management of their

property depends. Every officer and employee, from the highest to the lowest, when he enters the service of a railroad, assumes a certain individual responsibility, which rests heavily upon him, if he is true to the interests of his employer, to the last moment of such employment. While we have had no serious accident during the past year, yet it has been the constant aim of your directors to impress upon all our employees the necessity of taking every precaution and using every means in their power to prevent accidents, and to insure safety and comfort to the travelling public. Pe- cuniary considerations demand this; the lives and limbs of the millions of human beings who are annually transported over our road imperatively demand this; and yet, with all the care and precaution that can be exercised, accidents do and will continue to happen. When it is considered that we have under our control and in daily use 200 miles of road, and that our trains run more than 3,600 miles each week-day, with more than 1,450 employees, on more or less of whom the safety of our running depends, is it not surprising that more lives are not lost, and more property destroyed? When the American people can be prevented from entering or leaving the cars of a passenger train while the same is in motion, a very prolific cause of accidents to life and limb will be removed.

The Legislature of the State of Massachusetts, at their last session, passed an Act in reference to the flats and basin, and the creek connected therewith, of Prison Point Bay, in the city of Boston, requiring the owners thereof to fill said flats, etc., to a grade not less than ten feet above mean low water. This corporation, owning a large portion of said flats, are compelled by said Act to fill the same, and commenced this work on the fourteenth day of October last. While this property by such filling will be made more available for business purposes, it is a severe tax upon us to be

compelled to perform this work within the short time named in said Act; and the justice of an Act whereby either corporations or individuals are compelled to spend thousands of dollars in raising the flats or lowlands in the State for the benefit of the few, is very questionable.

Our floating debt has been reduced during the year, and stood at the close of business, on the thirtieth day of September, 1878, at \$22,009.08, none of which sum is due and payable.

The passenger and freight business of the past year, as compared with that of the previous year, stands as follows:—

1877.

Passengers carried	·	·	·	·	4,442,019
" " " one mile	·	·	·	·	61,779,576
Tons of freight carried	·	·	·	·	698,881
" " " one mile	·	·	·	·	36,036,193

1878.

Passengers carried	·	·	·	·	4,564,171
" " " one mile	·	·	·	·	64,292,723
Tons of freight carried	·	·	·	·	582,851
" " " one mile	·	·	·	·	28,949,165

Showing a net gain of 122,152 passengers, and for one mile a net gain of 2,513,147; and in freight a loss of 116,030 tons, and for one mile a loss of 7,087,028 tons.

Our road-bed, track, and rolling stock have been kept in good condition; without this, no road can for any length of time be operated successfully. New turnouts and sidings have been made in several places during the year in order to facilitate the various operations of the road.

We have laid $16\frac{2808}{5280}$ miles of steel and $2\frac{4257}{5280}$ miles of iron rails during the year.

We have now $108\frac{961}{5280}$ miles of steel track.

Every year new structures, or unusual repairs on the old ones, are required. The past year has not been an exceptional one in this respect. A new and convenient engine-house of brick has been constructed at Somerville, with a capacity for housing ten engines; much of the material for this structure came from the engine-house at South Berwick Junction, which was no longer required at that point. A new and convenient station and dwelling-house combined has been erected at Wellington's, in Medford, near the point where the Medford Branch connects with the main line. A new passenger-house, and dining-room has been erected on the main line in Portland at the junction of the Maine Central and Portland & Ogdensburg Railroads. By this we shall save for all time hereafter the heretofore vexatious delay and expense of running on and backing off a siding by every passenger train running in connection with the Maine Central Road. The old station at this point is conveniently located for, and will be converted into tenements for the use of our men. We are now constructing and have nearly completed a new passenger-house of brick at North Lawrence, unique and ornamental in design and finish; it will supply a much-desired want at this place; when completed we believe that it will not only please, but be entirely satisfactory to our numerous patrons at Lawrence. New sheds for sheltering passengers have been constructed on both sides of our passenger-house at Lowell Junction; also a shed and baggage-room in connection with our passenger station at Old Orchard Beach. New turn-tables have been constructed at Portland, Newburyport, Biddeford, and Farmington. New pumping stations have been erected at Newburyport and Bradford. A new draw has been placed in the bridge over the Mystic River in place of the old one, that began to show signs of weakness. The easterly side of our bridge over Merrimack River at Lawrence has been

thoroughly repaired, with new deck and deck timbers and new track stringers and ties. By an Act of the Legislature of the State of Maine, this road is permitted to unite with the Portland, Saco & Portsmouth Railroad Company in constructing, maintaining, and using jointly a union depot at North Berwick Village. Contracts have been made for the construction of such building, and the same will be completed at an early day. This road has had no depot for passengers at this place, and by this union the public will be much better accommodated, and considerable expense saved to both companies. Such repairs, constructions, and improvements are constantly required in the operations of a railroad, and we need not flatter ourselves that because we have done everything that seems to be required at the present time, that hereafter we shall be exempt from the same class of repairs and improvements; such is not the experience of railroad managers: each year brings its new demands and requirements.

The accounts of the treasurer have been examined by the auditor, Mr. Wm. P. Peirce, and he reports the same to be correct.

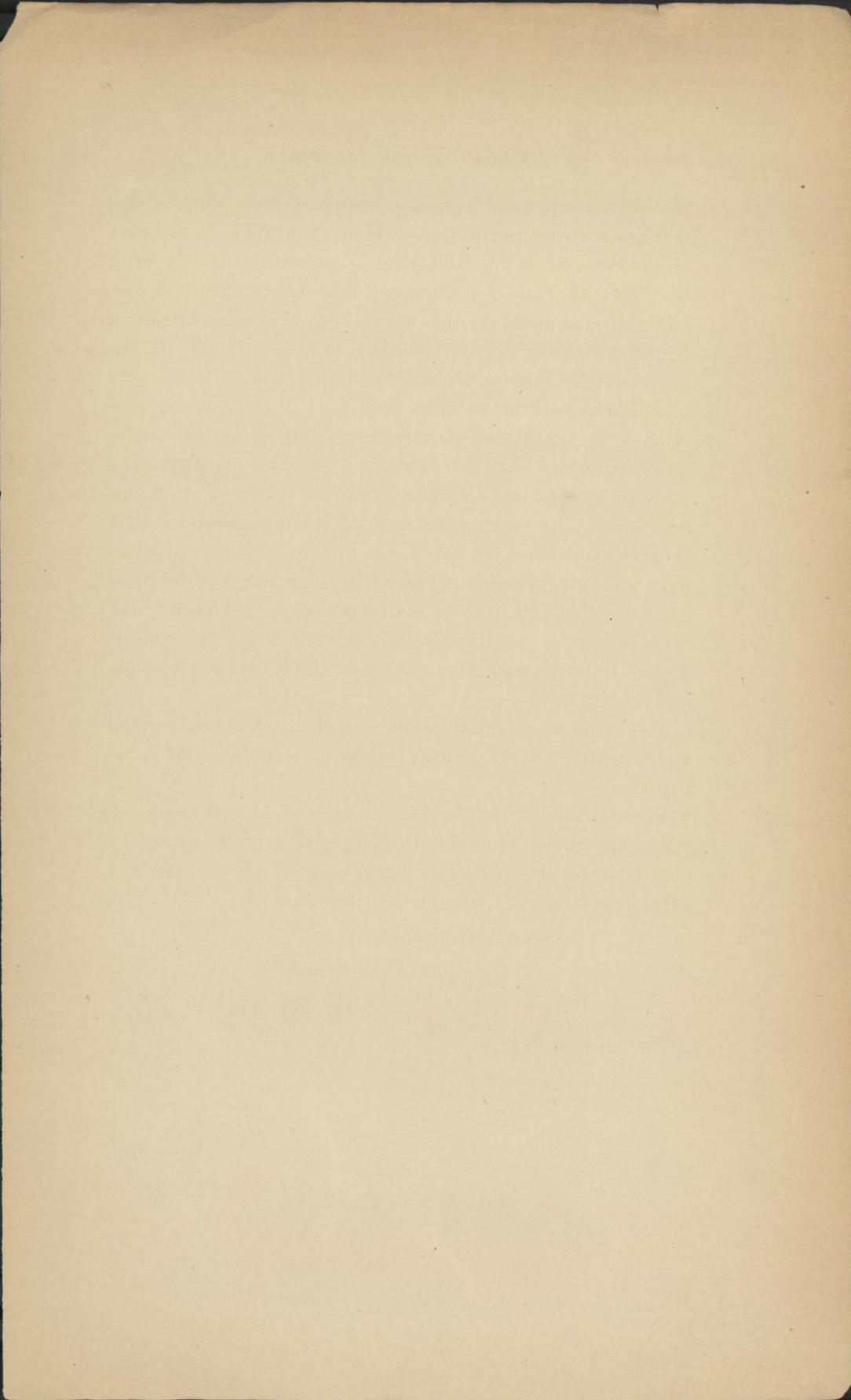
Recognizing our indebtedness to an overruling Providence which has carried us safely through another year, we would also bear testimony to the faithfulness of the officers and employees in every department of the road.

Respectfully submitted,

By order of the Board,

N. G. WHITE, *President.*

BOSTON, Nov. 6, 1878.



Cr.

Profit and Loss Account for the Year ending Sept. 30, 1878.

Dr.

Dividend paid Nov. 15, 1877	\$210,000 00	Balance Sept. 30, 1877	\$1,433,148 70
Dividend paid May 15, 1878	210,000 00	Income this year	490,349 12
Sundry items charged off as of no value	1,271 53		
Balance	1,502,226 29		
		\$1,923,497 82	
		Balance	\$1,502,226 29

*Income and Expenditures for the Year ending Sept. 30,
1878.*

ITEMS.	SEPT. 30, 1878.
INCOME.	
Passengers	\$1,260,673 87
Freight	760,248 56
Mails	24,446 23
Expresses	55,372 72
Rents, etc.	62,917 37
Interest	20,800 21
	\$2,184,458 96
EXPENDITURES.	
Repairs Road	\$133,162 72
" Bridges	23,449 31
" Fences, Road Crossings & Signs.	7,986 44
" Buildings	74,918 13
" Locomotives	59,247 67
" Passenger and Baggage Cars	41,039 92
" Merchandise Cars	45,773 27
Removing Ice and Snow	892 12
Switch, Gate, Signal, and Watchmen	89,875 15
Passenger Expense	215,146 19
Freight "	215,896 04
Coal for Locomotives	140,032 31
Wood	21,120 49
Water	11,459 55
Fuel for Stations and Shops	11,652 68
Renewal of Rails	64,692 14
Ties	29,791 05
General Expense	50,748 37
Oil	16,753 61
Insurance	3,621 02
Telegraph	4,809 79
Waste	3,289 44
Gratuities and Damages	3,705 41
Dover and Winnipiseogee R. R. Rent	29,000 00
West Amesbury R. R. Rent	5,700 00
Lowell and Andover R. R. Rent	52,500 00
Taxes	90,304 90
	\$1,446,567 72
Less Interest	\$737,891 24 247,542 12
Less Dividend paid May 15, 1878	\$490,349 12 210,000 00
Less Dividend to be paid Nov. 15, 1878	\$280,349 12 210,000 00
Income this year above Expenditures and Dividends	\$70,349 12

1,536,896 miles run this year.

DR. *Treasurer's Balance Sheet, Sept. 30, 1878.*

ASSETS.

CONSTRUCTION.

Grading and Masonry	\$2,681,096 81
Bridges	936,649 40
Superstructure, including Rails	1,897,807 33
Land, Land Damages, and Fences	2,480,256 36
Passenger, Freight, and Water Stations and Wood Sheds	771,905 33
Engine Houses, Car Sheds, and Turn Tables	164,713 98
Machine Shops, including Machinery and Tools	133,283 50
Interest paid during Construction, Dis- count, etc.	82,028 44
Engineering, Agencies, Salaries, and other Expenses during Construction	365,474 39
	\$9,513,215 54

EQUIPMENT.

77 Locomotives	\$382,000 00
11 Snow Ploughs	7,000 00
165 Passenger and Baggage Cars	392,275 00
1,690 Merchandise and other Cars	460,955 00
	\$1,242,230 00
Construction and Equipment	\$10,755,445 54

MATERIALS.

Wood on hand	\$24,742 24
Oil " "	1,526 10
Waste " "	264 00
Rails " "	98,501 00
Ties " "	11,159 40
Coal " "	41,358 48
Car Shop, Stock on hand	18,417 69
Engine Shop, Stock on hand	5,381 26
	\$201,350 17

SUNDRY ITEMS.

Cash	\$206,358 93
Notes Receivable	4,623 38
Boston and Maine Railroad Stock at par .	27,000 00
Land and Improvements Dover and Win- nipiseogee Railroad	24,640 11
Dover and Winnipiseogee Railroad Stock .	263,144 48
Steamer Mt. Washington and Wharves .	70,060 24
Danvers Railroad Bonds	125,000 00
Danvers Railroad Account	27,430 00
Lowell and Andover Railroad Better- ments	4,813 97
Newburyport Railroad Stock and Bonds .	302,001 95
	\$1,055,073 06
	\$12,011,868 77

Treasurer's Balance Sheet, Sept. 30, 1878. Cr.

LIABILITIES.

Capital Stock (received from sale of 70,000 shares)		\$6,921,274 52
Seven per cent Bonds due 1893	\$1,500,000 00	
" " " " " 1894	2,000,000 00	
Notes Payable	22,009 08	
Lowell and Andover Railroad Improve- ment Account	8,010 86	
Uncalled for Bond Interest	6,667 50	
" " " " " Dividends	10,605 00	
Ledger Balances	41,075 52	
Profit and Loss	1,502,226 29	\$5,090,594 25

\$12,011,868 77

BOSTON AND MAINE RAILROAD.

The annual meeting of the stockholders of the Boston and Maine Railroad will be held at LAWRENCE, in the City Hall, on WEDNESDAY, the eleventh day of December next, at ten o'clock A. M., for the following purposes, viz. : —

1. To hear and act upon the report of the directors.
2. For the choice of directors for the ensuing year.
3. For the transaction of any other business which may be legally brought before them.

By order of the directors.

CHAUNCEY P. JUDD, *Clerk.*

BOSTON, Nov. 6, 1878.

Stockholders, and *no other persons*, will be passed free to and from the place of meeting, on exhibiting their certificates to the conductors.

Stockholders located at stations east of Rollinsford will take the first morning trains from Portland in order to reach Lawrence in season for the meeting, and returning, will take the train which leaves South Lawrence at 4.30 P. M. All stockholders located at stations between Great Falls and Boston are requested to take passage on the *stockholders' trains* especially provided for them, as there will not be seat room on the regular passenger trains for more than the ordinary number of passengers.

The special stockholders' trains will leave Great Falls for Lawrence at 7 A. M., and Boston for Lawrence at 9 A. M., and will leave Lawrence for Boston at 12 M., and for Great Falls at 12.30 P. M., or at the close of the meeting.

Stockholders going from either direction *beyond* Lawrence will be charged regular fare between Lawrence and the stations to which they take passage.

By order of the directors.

JAS. T. FURBER, *Gen. Supt.*

